

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By Chairman Bob Lake, on April 11, 2007 at 9:00 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bob Lake, Chairman (R)  
Rep. Jill Cohenour, Vice Chairman (D)  
Rep. Jon Sonju, Vice Chairman (R)  
Rep. Norma Bixby (D)  
Rep. Mark Blasdel (R)  
Rep. Edward B. Butcher (R)  
Rep. Ron Erickson (D)  
Rep. Wanda Grinde (D)  
Rep. Robin Hamilton (D)  
Rep. Edward Hilbert (R)  
Rep. Mike Jopek (D)  
Rep. Carol Lambert (R)  
Rep. Gary MacLaren (R)  
Rep. Dave McAlpin (D)  
Rep. Bill Nooney (R)  
Rep. JP Pomnichowski (D)  
Rep. John (Jack) W. Ross (R)

**Members Excused:** Rep. Chas Vincent (R)

**Members Absent:** None.

**Staff Present:** Jeff Martin, Legislative Branch  
Debra Polhemus, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: SB 138, 4/2/2007; SB 375, 4/2/2007  
Executive Action: SB 553; SB 281; SB 552; SB 436

**HEARING ON SB 138**

**Opening Statement by Sponsor:**

00:01:45 Sen. David Wanzenried (D), SD 49, opened the hearing on SB 138, Prevent corporations from channeling income to insurance subsidiary.

**Proponents' Testimony:**

00:05:20 David Hunter, Deputy Director, Department of Revenue  
00:17:11 Robert Minto, Jr., President and CEO, ALPS Corporation, Missoula

**EXHIBIT (tah76a01)**

**Opponents' Testimony:**

00:20:27 Bruce Spencer, representing Montana Automobile Dealers Association  
00:30:04 Jon Bennion, representing Montana Chamber of Commerce  
00:32:31 Steve Broadie, Property Casualty Insurers Association of America (PCI)

**EXHIBIT (tah76a02)**

00:40:25 Todd Thaker, Prudential Financial, Sacramento, California  
00:42:46 Don Allen, representing National Association of Insurance and Financial Advisors  
00:43:57 Jacqueline Lenmark, representing American Council of Life Insurers (ACLI)  
00:57:24 Bruce Spencer speaking for Mary Whittinghill, Montana Taxpayers Association

**Informational Testimony:**

00:57:45 Brian Staley, Corporate Tax Unit Manager, Department of Revenue

**Questions from Committee Members and Responses:**

00:58:07 Rep. Erickson  
00:58:56 Steve Broadie  
00:59:29 Robert Minto, Jr.  
01:00:22 David Hunter  
01:02:10 Rep. Erickson  
01:02:25 David Hunter

**Questions from Committee Members and Responses: (Con't)**

01:06:39 Rep. Sonju  
01:06:57 Robert Minto, Jr.  
01:08:44 David Hunter  
01:10:06 Rep. Sonju  
01:12:06 Rep. MacLaren  
01:12:24 David Hunter  
01:13:57 Todd Thaker  
01:14:36 Robert Minto, Jr.  
01:16:10 Rep. Hilbert  
01:16:40 David Hunter  
01:21:19 Rep. Cohenour  
01:21:54 David Hunter  
01:27:00 Robert Minto, Jr.  
01:28:46 Rep. Nooney  
01:29:17 Bruce Spencer  
01:30:41 Jacqueline Lenmark  
01:34:27 Rep. MacLaren  
01:35:00 David Hunter

**Closing by Sponsor:**

01:36:11 Sen. David Wanzonried

**HEARING ON SB 375**

**Opening Statement by Sponsor:**

01:41:07 Sen. Dan McGee (R), SD 29, opened the hearing on SB 375, State tax incentive for National Guard and Reserve employers.

**Proponents' Testimony:**

01:42:58 Tina Whitaker, Executive Director, Employers Support of the Guard and Reserve  
01:46:41 Riley Johnson, representing National Federal of Independent Business  
01:48:52 Jon Bennion, representing the Montana Chamber of Commerce  
01:50:06 Scott Fink, General Contractor, Mustang Builders, Three Forks, also First Sergeant of the 219th Red Horse Squadron, Malstrom Air Force Base

**EXHIBIT (tah76a03)**

01:54:44 Ronda Wiggers, representing Great Falls and Helena Chambers of Commerce  
01:56:33 Chief Master Sergeant Roger Hagen, Montana National Guard

**Opponents' Testimony:** None.

**Informational Testimony:**

02:01:06 Brian Olsen, Department of Revenue

**Questions from Committee Members and Responses:**

02:01:20 Rep. Cohenour

02:01:36 Scott Fink

02:02:54 Rep. Ross

02:03:58 Sen. McGee

02:04:24 Rep. Cohenour

**Closing by Sponsor:**

02:04:50 Sen. Dan McGee

**EXECUTIVE ACTION ON SB 553**

02:08:56 **Motion:** Rep. Sonju moved that **SB 553 BE CONCURRED IN.**

**Discussion:**

02:09:08 Rep. Cohenour

02:09:45 Rep. Grinde

02:09:50 Rep. Lambert

02:10:40 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. L. Jones will carry SB 553.

**EXECUTIVE ACTION ON SB 281**

02:12:14 **Motion:** Rep. Lambert moved that **SB 281 BE CONCURRED IN.**

**Discussion:**

02:12:21 Rep. Erickson

02:12:34 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. Hilbert will carry SB 281.

**EXECUTIVE ACTION ON SB 552**

02:13:35 **Motion:** Rep. Ross moved that **SB 552 BE CONCURRED IN.**

**Discussion:**

02:14:02 Rep. Ross  
02:15:24 Rep. Butcher  
02:16:49 Rep. Grinde  
02:17:06 Rep. Lambert

02:18:13 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. Ross will carry SB 552.

**EXECUTIVE ACTION ON SB 436**

02:20:12 **Motion:** Rep. Sonju moved that **SB 436 BE CONCURRED IN.**

02:20:50 **Motion:** Rep. Sonju moved that **SB 436 BE AMENDED.**  
**EXHIBIT**(tah76a04)

**Discussion:**

02:21:11 Jeff Martin, Legislative Services Division  
02:21:41 Rep. Butcher  
02:22:51 Rep. Cohenour  
02:24:07 Chairman Lake  
02:24:39 Rep. Grinde

02:25:14 **Vote:** **MOTION CARRIED** 16-2 by voice vote with Reps. Butcher and Hilbert voting no and Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy.

02:25:46 **Motion:** Rep. Erickson moved that **SB 436 BE CONCURRED IN AS AMENDED.**

02:26:14 **Motion:** Rep. Sonju moved that **SB 436 BE AMENDED.**  
**EXHIBIT**(tah76a05)

**Discussion:**

02:26:25 Jeff Martin  
02:26:54 Rep. Erickson

02:27:13 **Vote:** **MOTION CARRIED** unanimously by voice vote with Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy.

02:27:39 **Motion:** Rep. Erickson moved that **SB 436 BE CONCURRED IN AS AMENDED.**

**Discussion:**

02:27:49 Rep. Sonju

02:29:22 Rep. Butcher

02:33:03 Rep. Cohenour

02:35:03 Rep. Erickson

02:35:38 Chairman Lake

02:36:19 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Blasdel, Hilbert, Lake, Lambert, MacLaren, Nooney, Sonju, and Vincent voting no and Reps. Jopek, Pomnichowski, McAlpin and Vincent voting by proxy. Rep. Erickson will carry SB 436.

**ADJOURNMENT**

Adjournment: 11:40 A.M.

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REP. BOB LAKE, Chairman

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DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

**EXHIBIT ([tah76aad.pdf](#))**